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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/735,446
Filing Date: December 13, 2000
Appellant(s): MURPHY ET AL.

Phillip D. Mancini
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 10/23/06 appealing from the Office action
mailed 5/14/04.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

No amendment after final has been filed.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

US 6,330,543	KEPECS	12-2001
US 5,794,207	WALKER et al	8-1998

Williamson, Craig, "Re: Why Pay for Catalogs ?", 01/14/1998, Usenet newsgroup: rec.models.railroad, message-ID: <34bd2ecb.0@masters>#1/1, (groups.google.com newsgroup archive).

Larson, Derek Roth, "Re: Sam's or Costco??", 11/05/1998, Usenet newsgroup: misc.consumers, message-ID: <71sugh\$rlf\$2@flotsam.uits.indiana.edu>#1/1, (groups.google.com newsgroup archive).

Lenny, "Re: Small Claims Court - The Judgment", 07/24/1999, Usenet newsgroup: sci.electronics.repair, message-ID: <3799F6E4.7F58@hotmail.com>, (groups.google.com newsgroup archive).

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kepecs (US6330543) in view of Walker et al ('207) (US5794207).

Regarding claims 1, 2, 5, 8, 11, 23, 24, Kepecs teaches a centralized host which provides an online promotion (incentive) system. Users remotely log in and browse offers that are targeted to them. The new user registration process [3:1-8] is taken to meet part c) of claim 1; any user-submitted data during such a process is taken to be transmission of a user-submitted profile. A user may "select" an offer online and then

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"redeem" the offer at a retail location which may include a discount at the time of purchase [2:23-34, 5:18-60, 11:4-30]. The communication from the central host to the POS detailing the qualification for discount/offer is taken to be disbursement of a redeemable electronic certificate. Kepecs does not teach details for user fees. Official Notice is taken that it is well known to charge users for services and to refund fees if the users follow through and make purchases. It would have been obvious to one of ordinary skill at the time of the invention to have charged users a fee to their authorized credit card or other financial account associated with the targeted offering of promotions and to have waived or refunded fees if the users make purchases using the system. This step of charging a user fee is taken to include notification of the required fee, prompting for such a fee, submission of the fee/fee payment information, collection of the fee/fee payment information and delivery of the incentive in association with the fee. Kepecs teaches that the system can automatically "compute discounts" based on customer and product information. Formulas control system feedback and automatically modify promotions based on customer behavior [14:13-21]. Kepecs does not however teach customers suggesting prices or offer parameters. Walker et al ('207) however teaches a centralized, online system where users are allowed to submit offers to the system with customized, user-defined offer parameters [abstract]. The system evaluates the user offers and either accepts or denies them on behalf of the seller(s). It would have been obvious to one of ordinary skill at the time of the invention to have provided the customized promotion system of Kepecs with the ability for user-defined offer parameters, so that users can take advantage of more appealing self-customized

promotions. Redemption of an incentive associated with a user requires user identification at the retail location [5:45-50]; therefore the disbursement of a redeemable electronic certificate also must include user identification to accomplish such.

Regarding claim 3, 9, Kepecs teaches the use of a user printing a targeted coupon and presenting it at the retail location [1:48-51].

Regarding claim 4, 10, Kepecs teaches user registration/identification including name, address and email address [4:42-46, 3:6-7].

Regarding claim 6, 12, 25, Kepecs teaches manufacturers providing the promotions as well as funding them in the hopes of increased sales. It would have been obvious to one of ordinary skill at the time of the invention to have provided the system of Kepecs for promoting the sales of any type of good or service, including vehicles.

Regarding claim 7, 13, 15, 16, 17, Kepecs teaches that the identified user's profile is used to determine the offers for which the user qualifies (offers are targeted, individualized discounts determined through comparison/matching of users and offers) [6:63-68]. Kepecs also teaches keeping track of the user's online history including offer selection and even offer viewing [3:9-18].

Regarding claim 14, 19-22, Walker et al ('207) teaches that the system can process the user defined offer and return a modified offer (counter-offer) [22:39-43].

Regarding claim 18, 26-28, Kepecs teaches the use of a remote user graphical user interface (GUI) [11:8-10] and it would have been obvious to one of ordinary skill at the time of the invention to have used such a GUI interface for users to input the user-

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defined/customized incentive parameters/data fields, so as to make the computerized system user-friendly.

(10) Response to Argument

Applicant argues that Kepecs “makes no mention or provides any discussion directed to” the claimed limitations of “**remotely viewing** by a registered user, information pertaining to goods or services associated with one or more **incentives**, and **means for remotely selecting by the user**, a particular good or service.” As examiner has previously pointed out, this is addressed by Kepecs in various places. Column 11 of Kepecs in particular states:

“the **consumer may browse** through the **discounts or other promotions** available to him or her at the DAP Advertising Server” [col 11 lines 4-6].

“The **consumer selects the desired discounts**, e.g., the special prices on the displayed items” [Col 11 lines 16-17].

The examiner honestly cannot fathom how Kepecs can be read as anything other than directly, explicitly and succinctly teaching this claim language argued to be “neither mentioned nor discussed” by Kepecs.

Applicant argues [page 20 lines 5+] that Kepecs has been misunderstood and argues that Kepecs includes examples typical of grocery store commerce and that users do not set their own incentive parameters. That is true – which is why the claims were not given 102 rejection. Walker et al was used to address user-defined incentive/pricing parameters. Applicant continues to summarize Walker et al noting

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that the reference includes examples of **goods** and services, including in some cases travel based goods and services. This in general is not disputed. Applicant continues by stating that Walker et al does not teach [lengthy claim quotations]. Examiner has not made a 102 rejection with Walker et al either – but rather the combination which has not been traversed with any clarity (no reasons provided why the *combination* and *conclusion of obviousness* is improper). Examiner refuses to speculate what (if any) arguments were being hinted at with pages 20-21 of the Brief. Applicant's statements that this is not taught – that is not taught, etc. are insufficient to overcome the rejection on the record which lays out the Examiner's reasoning and conclusions that address the same limitations/language allegedly not taught. Applicant has not pointed out where the Examiner's rejection is flawed.

Applicant points out [end of page 21] that Walker et al is associated with a mass of sellers per incentive and the instant invention includes one seller per incentive. This is narrower than the present claim scope.

Applicant has previously and continues to recite compound statements that are allegedly not met. This makes it difficult to determine if applicant disagrees with each element in the statement, or simply one of them. For example, applicant states [page 22, lines 1+] 'Kepecs does not disclose...creating an incentive file having a redemption amount field, "transmitting a prompt for payment of a user fee...[and additional fee-related limitations]" '. It is assumed that applicant is not arguing the rejection's incentive data file with redemption amount field – because this is not in quoted in the argument and because it should be clear that the generated and stored electronic

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incentives of Kepecs involve discount amounts (and therefore, fields). Therefore applicant is believed to argue that Kepecs does not teach the fee-based limitations. Examiner agrees with this and has said "Kepecs does not teach details for user fees." However, the Examiner took Official Notice and continues to do so here, that it is well known for businesses to charge users for services and to refund fees if the users follow through and make purchases. Applicant's response has previously and herein been limited to the statement that neither Kepecs nor Walker et al teach fees and waiving fees upon a purchase. Examiner agrees, but has relied upon Official Notice evidence which has to date gone without seasonable challenge. MPEP 2144.03 C states:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111(b). See also *Chevenard*, 139 F.2d at 713, 60 USPQ at 241 ("[I]n the absence of any demand by appellant for the examiner to produce authority for his statement, we will not consider this contention."). A general allegation that the claims define a patentable invention without any reference to the examiner's assertion of official notice would be inadequate. If applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also *Zurko*, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the

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traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

Applicant has not seasonably or timely challenged the taking of Official Notice. This (it is well known for businesses to charge users for services and to refund fees if the users follow through and make purchases) is therefore taken to be admitted prior art. Nonetheless, Examiner has cited three references which demonstrate his point in different ways. Williamson teaches that consumers are charged for access to catalogs/catalog pricing, yet these fees are waived/refunded upon purchase. Larson teaches how membership services to deep discounts are in essence waived/refunded/avoided/reduced when purchases of such discounted products are made. Lenny teaches repair estimates are charged to consumers unless they follow through with the purchases of the repair service. Any of these (and countless other not-cited practices provide one of ordinary skill sufficient motivation to charge fees for offering targeted electronic discounts, yet refunding the fees if purchases were made, so that the business could recover costs and avoid excessive expenditures on targeted discounts that go unpurchased.

Applicant states that the Examiner does not address that the claims call for reimbursing the user fee to the remote use upon purchase. Applicant again is directed to the taking of Official Notice and the conclusion of obviousness for such features.

Applicant appears to draw a distinction between an "incentive" and Walker et al's "offers". An attractive offer, especially one wherein the user may set parameters (including at least price) of the offer is one which provides an incentive to make the

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purchase – i.e. it is a good deal/value. Therefore Walker et al's offers are taken to represent incentives. Further one of ordinary skill would see the benefits of allowing the user to help create more attractive deal by suggesting parameters of Kepecs' incentives.

While applicant has not made any arguments per se against motivation to combine and/or analogous arts, it is noted that:

References are selected as being reasonably pertinent to the problem based on the judgment of a person having ordinary skill in the art. Id. ("[I]t is necessary to consider 'the reality of the circumstances,' in other words, common sense in deciding in which fields a person of ordinary skill would reasonably be expected to look for a solution to the problem facing the inventor." In re Leonard R. Kahn (CAFC, 04-1616, 3/22/2006).

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Jeffrey D. Carlson



Conferees:

Eric Stamber



Vincent Millin

